

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

Caption in Compliance with D.N.J. LBR 9004-1(b)

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Proposed Counsel to the Debtors and Debtors in Possession

In re:

NEW JERSEY ORTHOPAEDIC INSTITUTE LLC,
et al.,

Debtors.¹

NEW JERSEY ORTHOPAEDIC INSTITUTE LLC
and NORTHLANDS ORTHOPAEDIC INSTITUTE
LLC,

Plaintiffs,

v.

ANTHONY FESTA, M.D., ANTHONY SCILLIA,
M.D., CRAIG WRIGHT, M.D., JOHN
CALLAGHAN, M.D., CASEY PIERCE, M.D., AND
ACADEMY ORTHOPAEDICS LLC,

Defendants.



Order Filed on February 28, 2025
by Clerk
U.S. Bankruptcy Court
District of New Jersey

Chapter 11

Case No. 25-11370 (JKS)

(Jointly Administered)

Adv. Pro. No. 25-01036 (JKS)

**SECOND INTERIM ORDER TO AVOID AND RECOVER PREFERENTIAL
TRANSFERS, ENFORCE THE AUTOMATIC
STAY PURSUANT TO 11 U.S.C. §362, AND ORDER TO SHOW CAUSE**

¹ The last four digits of Debtor New Jersey Orthopaedic Institute LLC's tax identification number are 3560; the last four digits of Debtor Northlands Orthopaedic Institute LLC's tax identification number are 9828. The location of both Debtors' principal place of business and the Debtors' service address in these Chapter 11 Cases is 504 Valley Road, Suite 200, Wayne NJ 07470.

DATED: February 28, 2025


Honorable John K. Sherwood
United States Bankruptcy Court

The relief set forth below is hereby

This matter having been brought before the court upon the *Verified Complaint of New Jersey Orthopaedic Institute LLC and Northlands Orthopaedic Institute LLC* (collectively, the “**Debtors**”), through their proposed counsel, Saul Ewing LLP, and upon the objections of the defendants and Judgement Creditors, Anthony Festa, M.D., Anthony Scillia, M.D., Craig Wright, M.D., John Callaghan, M.D., Casey Peirce, M.D. and Academy Orthopaedics, LLC (collectively, the “**Judgment Creditors**”) and the Court having considered the Verified Complaint submitted, and for good cause shown, and for the reasons set forth on the record at the hearing on February 26, 2025, and pursuant to the agreement of the Debtors and Judgment Creditors,

IT IS ORDERED that Saul Ewing LLP shall release the amount of \$80,305.54 from the escrowed funds held in connection with this case, and transfer that amount to the Debtors. The Debtors are hereby authorized and directed to use the released funds to pay the following postpetition expenses:

LIST OF EXPENSES

Employee 401(k) Contribution:	\$5,508.34
Rent for Wayne office (includes rent and utilities)	\$16,637.00
Rent for Morristown	\$1,330.60
Lightpath - phone and internet system	\$2,083.85
Verizon Cell Phones	\$552.76
Medent	\$2,536.03
Daniels	\$252.15
Medical Supplies	\$9,588.26
TNT Max	\$919.72
Keystone Answering Service	\$259.18
SK Paper Shred	\$122.61
Dictation Source	\$635.83
Travelers - Liability Insurance	\$1,750.00
<i>Subtotal</i>	<i>\$42,176.31</i>

Health Insurance	\$23,844.62
Dr. Vincent McInerney (75% of regular of \$19,046.14 distribution)	\$14,284.61
<i>Total Amount Agreed to be Released from Escrow</i>	<u>\$80,305.54</u>

IT IS FURTHER ORDERED that the payment to Dr. Vincent McInerney identified above is a post-petition payment, and shall not be characterized as compensation for pre-petition services rendered to the Debtors.

IT IS FURTHER ORDERED that any post-petition payments made to Dr. Vincent McInerney under this Order are without prejudice to any determination by the Court, including any determination by the Court that said payments are in excess of the reasonable value of Dr. Vincent McInerney's post-petition services to the Debtor since the Petition Date and subject to repayment to the Debtors under Sections 549 and 550 of the United States Bankruptcy Code and/or should be characterized as wages (and not distributions) for professional services rendered.

IT IS FURTHER ORDERED that the Judgment Creditors shall cooperate with the Debtors in all respects to confirm or complete the release of the funds pursuant to this Order, including executing any document required by Saul Ewing LLP.

IT IS FURTHER ORDERED that the Debtors shall not make any payment to Lisa McInerney without the consent of the Judgment Creditors or further order of the Court.

A further hearing in this matter will be held before the Honorable John K. Sherwood, United States Bankruptcy Judge, United States Bankruptcy Court for the District of New Jersey, Courtroom 3D, 50 Walnut Street, Newark, New Jersey 07102 on March 11, 2025 at 2:00 p.m.

Any materials the parties wish to introduce at that hearing must be submitted by Monday, March 10, 2025 at 9:00 a.m.